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SUBJECT: FRANCE: CONCERN OVER USG FUNDING FOR ITER

¶1. (SBU) SUMMARY: France strongly supports the ITER (International Thermonuclear Experimental Reactor) "clean" nuclear fusion based project that if successfully developed would produce much electricity with little radioactive waste. In addition to providing

the ITER site, France has allocated 900 million euros toward ITER's original 5 billion euro cost, and an additional 60 million euros for auxiliary infrastructure. Now the project needs 1 billion euros more to pay for critical design changes, thus delaying operations until at least 2019. Despite international commitments, the U.S. Department of Energy has not received budget authorization to supply equipment designed and manufactured in the U.S. nor to pay ITER operating expenses. These shortfalls could severely stresses the ITER project and raise questions about our reliability as an international research partner. END SUMMARY.

ITER: Dedication of Resources

¶2. (U) The French actively campaigned successfully for the ITER site in Cadarache, about 50 miles northeast of Marseille, committing 895 million euros to site development, construction and the enlarged highway to carry heavy equipment from the Port of Marseille. In addition, local Provence-Alpes-Cote d'Azur (PACA) governments are providing 60 million euros in auxiliary infrastructure, support for international school construction, and additional road construction.

In October 2008, with only site preparation under way, a scientific advisory panel informed the partners that an additional 1.2 billion to 1.6 billion euros over the original 5 billion euro cost would be needed to pay for critical design changes. These changes will delay ITER completion for up to three years past the 2018 due date.

ITER: European Steadfast Financial Support

¶3. (U) In 2005, ITER direct construction costs were estimated at 5.5 billion euros, of which 45 percent would be provided by Europe and 55 percent by the six other Parties (China, the Republic of Korea, the United States, Russia, India, and Japan), each contributing 9 percent. Of Europe's share, France contributes 496 million Euros in first phase costs, and 8 percent of second phase costs. The EU budget covers the remaining European commitments not paid by France.

In addition, of the 678 million Euros enlarged roadway cost, France is paying 25 percent or 170 million euros, with the remainder divided between Japan (50 percent) and other European countries.

Difficulty in U.S. Financial Commitment to ITER

¶4. (SBU) Originally the USG pledged to contribute USD 1.12 billion between 2008 and 2014 mainly in in-kind shipments of equipment and components as well as a small amount in cash for ITER secretariat expenses. However, so far, the Congress has appropriated only modest amounts, far below the pledge level. In FY 2008, only USD 26.1 million was appropriated towards a request of USD 160 million. The FY 2008 funding reduction sharply curtailed U.S. design, R and D activities and procurement, reduced the U.S.-based project staff to a core team, and precluded an approximately USD 11 million cash payment. With the Continuing Resolution in FY 2009 the ITER Project received an additional USD 5.3 million. Total USG funding for ITER

to date has been USD 110.7 million. USG funds on hand will be exhausted in March. The USG shortfall compounds ITER's challenges, and further compounds a reliability issue first raised when the USG first pulled out of the ITER project in 1999.

Work in Progress: The ITER School

15. (U) The ITER School, located in the town of Manosque, nearby to Cadarache, has enrolled a little over 200 students during its second year of operation; under half of those students come from ITER families, while the rest are from the local community. There are reportedly 58 teachers on staff, representing 13 nationalities. Although the proportion of instruction in French has been relaxed somewhat, there is still some dissatisfaction among the non-European ITER parents about the lack of an International Baccalaureate (IB) Diploma program and only a French Baccalaureate program for high school students. Currently only one American elementary student is enrolled. Curriculum and class materials are still generally below standards and logistics remains a problem as the school is approximately 60 kilometers (40 miles) from the ITER housing sites and there is a lack of adequate transportation.

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